

C.L. "BUTCH" OTTER
GOVERNOR

NEWS RELEASE

FOR IMMEDIATE RELEASE:

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GOVERNOR OPTS FOR STATE-BASED EXCHANGE

LEGISLATURE STILL MUST WEIGH IN ON HEALTH INSURANCE ISSUE

(BOISE) – Governor C.L. "Butch" Otter announced today that Idaho is opting for a state-based health insurance exchange under the terms of Obamacare, subject to legislative approval.

"This is not a battle of my choosing, but no one has fought harder against the mandates and overreaching federal authority of the Affordable Care Act. No one has more consistently and clearly demanded that Idaho retain the authority and flexibility to chart our own path forward. There was a judicial process for challenging Obamacare, and the presidential election was at least in part a referendum on its enactment. But despite our best efforts, the law remains in place, and almost certainly will for the foreseeable future. There **will** be a health insurance exchange in Idaho. The only question is who will build it.

Our options have come down to this: Do nothing and be at the federal government's mercy in how that exchange is designed and run, or take a seat at the table and play the cards we've been dealt. I cannot willingly surrender a role for Idaho in determining the impact on our own citizens and businesses.

"This decision does not signal support for the law or how it is being implemented. However, it does reflect my continued determination for Idaho to be actively engaged in making the best possible choices – to the degree we are allowed – in the interest of more accessible and affordable health care for our citizens.

"Obamacare is not the answer. In fact, it very likely will do little or nothing to reduce costs while force-feeding us coverage and increasing the size and scope of government. But it is an unfortunate and unwelcome reality, and it would be

irresponsible of me to simply abandon the field to federal bureaucrats. In the face of uncertainty we must assert our independence and our commitment to self-determination while fulfilling our responsibility to the rule of law.

“The working group I assembled to study our options recommended this response. I greatly appreciate and respect the members of that panel their analysis, both the majority and those in dissent. I also consulted with national experts, many of my fellow governors and our own legislative leaders. I understand and empathize with those who would reject a role in this process, as some other states have done. I know that for many this is not a matter of consensus but rather of individual conscience, and I know the earnest and well-intentioned debate will continue.

“I take some comfort in the fact that even those disagreeing with this decision strongly believe as I do in Idaho’s ability to be more responsive and do a better job than the federal government alone of ensuring our citizens can make informed choices about their health care.

“All the criticisms of the exchange mandate that I and many others have expressed remain valid and troubling. The law is governed by an evolving set of increasingly complex rules and requirements. It is onerous, unwieldy and fraught with unknowns. That makes it all the more important to remember that my decision today can be rescinded if the Legislature disagrees or withdrawn by me if circumstances warrant – a real possibility on such a constantly moving target. But with what we know today, this is our best option.”

Answers to frequently asked questions about the health insurance exchange (HIE) issue can be found [here](#).

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Frequently Asked Questions – Health Insurance Exchange

1. What is a Health Insurance Exchange?

A HIE is a one-stop shop for individuals or small businesses who are buying health insurance. The Idaho Health Insurance Exchange (HIE) will offer a choice of different health plans, certify plans that participate, and provide information to help consumers better understand their options.

2. Who will be eligible to participate in a HIE?

Individuals buying their own coverage and businesses with 50 or fewer employees will be eligible. Most Americans will continue to get insurance through their workplace.

3. Who will pay for the HIE and how much will it cost?

The establishment and initial operation of a HIE would be funded through a series of federal grants. Going forward, the HIE will be funded by exchange participants through user fees or assessments. A state HIE would avoid the U.S. Department of Health and Human Services proposal to fund federal exchange operations with a fee of 3.5 percent on premiums from policies purchased through that exchange.

4. What kind of coverage will be available through the HIE?

A variety of plans from multiple carriers will be offered in a way that allows consumers to compare price, benefits, services and quality. Plans will offer a set of essential benefits including hospital, emergency, maternity, pediatric, drug, lab services and other care. Consumers will have three levels from which to choose: bronze, silver, gold and platinum. Additionally, if people qualify for Medicaid or CHIP coverage they will be able to obtain that coverage through the HIE.

5. What will HIE policies cost?

The premiums will vary by type of plan. Health insurance carriers will set their own rates in accordance with new insurance market reforms effective in 2014. Subsidies will be available on policies purchased through the HIE for people who earn up to 400 percent of the poverty level.

6. Will people still be able to buy insurance outside of the HIE?

The HIE is not intended to compete with the existing insurance marketplace. Insurers can sell policies outside of the Exchange; consumers and employers can purchase coverage outside of the Exchange.

7. What are the benefits to Idaho of a state-based Health Insurance Exchange?

Idaho has among the lowest health insurance rates in the nation. Creating a HIE will help us maintain state control of Idaho's health insurance industry. Advantages of local control include having a local board meeting in public to discuss and decide key exchange issues, preserving as much flexibility as possible for Idaho health insurance customers, assuring more fiscally responsible operations, and having locally based management and consumer assistance.

8. Will everyone be required to buy health insurance?

Starting in 2014, most Americans will be required to enroll in a health insurance plan with basic minimum standards. Those who do not and are not otherwise exempt will be subject to a penalty.

9. What is the timeline for implementation?

As soon as the Legislature approves, Idaho will be ready to actively implement an exchange. The HIE must be open for enrollment by October 1, 2013.